

AMENDMENT TO H.R. 5091
OFFERED BY MRS. MCCARTHY OF NEW YORK

At the end of the bill, add the following new section:

1 **SEC. 3. CANCELLATION OF STUDENT LOAN INDEBTEDNESS**
2 **FOR SPOUSES, SURVIVING JOINT DEBTORS,**
3 **AND PARENTS.**

4 (a) DEFINITIONS.—For purposes of this section:

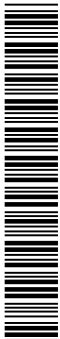
5 (1) ELIGIBLE PUBLIC SERVANT.—The term “el-
6 igible public servant” means an individual who—

7 (A) served as a police officer, firefighter,
8 other safety or rescue personnel, or as a mem-
9 ber of the Armed Forces; and

10 (B) died (or dies) or became (or becomes)
11 permanently and totally disabled due to injuries
12 suffered in the terrorist attack on September
13 11, 2001;

14 as determined in accordance with regulations of the
15 Secretary.

16 (2) ELIGIBLE VICTIM.—The term “eligible vic-
17 tim” means an individual who died (or dies) or be-
18 came (or becomes) permanently and totally disabled
19 due to injuries suffered in the terrorist attack on
20 September 11, 2001, as determined in accordance
21 with regulations of the Secretary.



1 (3) ELIGIBLE SPOUSE.—The term “eligible
2 spouse” means the spouse of an eligible public serv-
3 ant, as determined in accordance with regulations of
4 the Secretary.

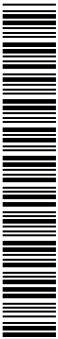
5 (4) ELIGIBLE SURVIVING DEBTOR.—The term
6 “eligible surviving debtor” means an individual who
7 owes a Federal student loan that is a consolidation
8 loan that was used, jointly by that individual and an
9 eligible victim, to repay the Federal student loans of
10 that individual and of such eligible victim.

11 (5) ELIGIBLE PARENT.—The term “eligible
12 parent” means the parent of an eligible victim if—

13 “(A) the parent owes a Federal student
14 loan that is a consolidation loan that was used
15 to repay a PLUS loan incurred on behalf of
16 such eligible victim; or

17 “(B) the parent owes a Federal student
18 loan that is a PLUS loan incurred on behalf of
19 an eligible victim who became (or becomes) per-
20 manently and totally disabled due to injuries
21 suffered in the terrorist attack on September
22 11, 2001.

23 (6) SECRETARY.—The term “Secretary” means
24 the Secretary of Education.



1 (7) FEDERAL STUDENT LOAN.—The term
2 “Federal student loan” means any loan made, in-
3 sured, or guaranteed under part B, D, or E of title
4 IV of the Higher Education Act of 1965.

5 (b) RELIEF FROM INDEBTEDNESS.—

6 (1) IN GENERAL.—The Secretary shall provide
7 for the discharge or cancellation of—

8 (A) the Federal student loan indebtedness
9 of an eligible spouse;

10 (B) the consolidation loan indebtedness of
11 an eligible surviving debtor;

12 (C) the portion of the consolidation loan
13 indebtedness of an eligible parent that was in-
14 curred on behalf of an eligible victim, if the
15 amount of such indebtedness with respect to
16 such eligible victim may be reliably determined
17 on the basis of records available to the lender;
18 and

19 (D) the PLUS loan indebtedness of an eli-
20 gible parent that was incurred on behalf of an
21 eligible victim described in subsection (a)(5)(B).

22 (2) METHOD OF DISCHARGE OR CANCELLA-
23 TION.—A loan required to be discharged or canceled
24 under paragraph (1) shall be discharged or canceled
25 by the method used under section 437(a), 455(a)(1),



1 or 464(c)(1)(F) of the Higher Education Act of
2 1965 (20 U.S.C. 1087(a), 1087e(a)(1),
3 1087dd(c)(1)(F)), whichever is applicable to such
4 loan.

5 (c) FACILITATION OF CLAIMS.—The Secretary
6 shall—

7 (1) establish procedures for the filing of appli-
8 cations for discharge or cancellation under this sec-
9 tion by regulations that shall be prescribed and pub-
10 lished within 90 days after the date of enactment of
11 this Act and without regard to the requirements of
12 section 553 of title 5, United States Code; and

13 (2) take such actions as may be necessary to
14 publicize the availability of discharge or cancellation
15 of Federal student loan indebtedness for eligible
16 spouses, eligible surviving debtors, and eligible par-
17 ents under this section.

18 (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—
19 Funds available for the purposes of making payments to
20 lenders in accordance with section 437(a) for the dis-
21 charge of indebtedness of deceased or disabled individuals
22 shall be available for making payments under section
23 437(a) to lenders of loans to the eligible spouses, eligible
24 surviving debtors, and eligible parents as required by this
25 section.



1 (e) APPLICABLE TO OUTSTANDING DEBT.—The pro-
2 visions of this section shall be applied to discharge or can-
3 cel only Federal student loans (including consolidation
4 loans) on which amounts were owed on September 11,
5 2001.

